

Aplington-Parkersburg Community School District

Independent Auditor's Reports
Basic Financial Statements
And Supplementary Information
Schedule of Findings

June 30, 2009

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Aplington-Parkersburg Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

(Before September 2008 Election)

Kevin Schipper	President	2009
Tom Manifold	Vice President	2010
Leon Johnson	Board Member	2008
Calvin Voss	Board Member	2008
Jill Kalkwarf	Board Member	2009

(After September 2008 Election)

Kevin Schipper	President	2009
Tom Manifold	Vice President	2010
Jill Kalkwarf	Board Member	2009
Melody Nevenhoven*	Board Member	2012
Calvin Voss*	Board Member	2012

School Officials

Jon Thompson	Superintendent	2009
Patricia Gosch	District Business Manager	2009
Melinda Muller	Board Secretary	2009
Klinkenborg, Hansmann & Peterson	Attorney	2009

*Board term extended per the District's transition plan for changing Board terms from 3 to 4 years in accordance with Chapter 39.24 of the Code of Iowa

Independent Auditor's Report

To the Board of Education of
Aplington-Parkersburg Community School District:

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Aplington-Parkersburg Community School District, Parkersburg, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. My responsibility is to express opinions on these financial statements based on my audit.


I conducted my audit in accordance with US generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Aplington-Parkersburg Community School District at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with US generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated November 18, 2009 on my consideration of Aplington-Parkersburg Community School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis and Budgetary Comparison Information on pages 4 through 12 and 34 through 35 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Aplington-Parkersburg Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the five years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by US Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Keith Oltrogge
Certified Public Accountant

November 18, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Aplington-Parkersburg Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$7,163,316 in fiscal 2008 to \$7,250,816 in fiscal 2009, while General Fund expenditures increased from \$6,730,715 in fiscal 2008 to \$7,066,557 in fiscal 2009. This resulted in an increase in the District's General Fund balance from \$880,961 in fiscal 2008 to \$1,065,220 in fiscal 2009, a 17% increase from the prior year.
- The increase in General Fund revenues was attributable to an increase in State and Federal revenue. The increase in expenditures was due primarily to an increase in instructional expenditures.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Aplington-Parkersburg Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Aplington-Parkersburg Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Aplington-Parkersburg Community School District acts solely as an agent or custodian for the benefit of those outside of County government.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the non-major Special Revenue Funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Aplington-Parkersburg Community School District Annual Financial Report

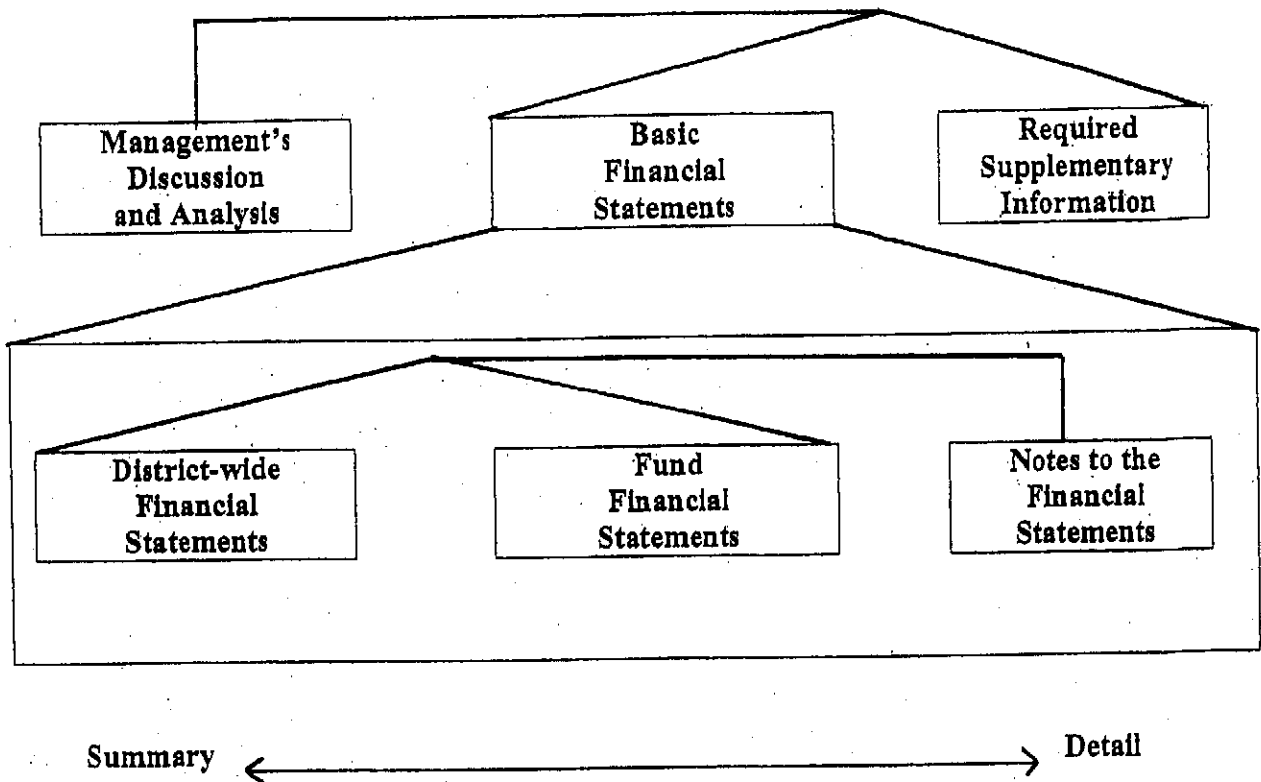


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses and changes in fund net assets	Statement of changes in fiduciary net assets
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long- term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long- term	All assets and liabilities, both short- term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program and Before and After School Program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, and Debt Service Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and the Before and After School Program Fund.

The required financial statements for proprietary funds include a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust Funds.

- Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds includes a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliation between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2009 compared to June 30, 2008.

Figure A-3
Condensed Statement of Net Assets

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-2009
Current and other assets	\$11,332,283	\$7,065,236	\$55,760	\$31,902	\$11,388,043	\$7,097,138	\$4,290,905
Capital assets	16,844,501	1,604,244	14,794	19,861	16,859,295	1,624,105	15,235,190
Total assets	\$28,176,784	\$8,669,480	\$70,554	\$51,763	\$28,247,338	\$8,721,243	\$19,526,095
Long-term liabilities	\$9,643,254	\$2,386,134	\$-	\$-	9,643,254	\$2,386,134	\$7,257,120
Other liabilities	5,651,419	3,357,269	15,551	15,942	5,666,970	3,373,211	2,293,759
Total liabilities	\$15,294,673	\$5,743,403	\$15,551	\$15,942	\$15,310,224	\$5,759,345	\$9,550,879
Net assets:							
Invested in capital assets, net of related debt	\$7,329,501	-\$555,756	\$14,794	\$19,861	\$7,344,295	-\$535,895	\$7,880,190
Restricted	1,060,187	2,140,397	-	-	1,060,187	2,140,397	-1,080,210
Unrestricted	4,492,423	1,341,436	40,209	15,960	4,532,632	1,357,396	3,175,236
Total net assets	\$12,882,111	\$2,926,077	\$55,003	\$35,821	\$12,937,114	\$2,961,898	\$9,975,216

The District's combined net assets increased by over 100%, or approximately \$997,516, over the prior year. The largest portion of the District's net assets is in the investment capital assets, net of related debt. Invested in capital assets, net of related debt is the new school due to the May 25 tornado of 2008.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets decreased approximately \$1,080,210, or 50% over the prior year.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$3,175,236, or 70%. The total proceeds of \$8,485,000, \$5,885,000 for Revenue Bond and \$2,600,000 in General Obligation bonds are in the unrestricted asset which is the reason for the increase in unrestricted net assets.

Figure A-4 shows the change in net assets for the year ended June 30, 2009.

Figure A-4
Changes in Net Assets

	Governmental Activities	Business Type Activities	Total District
Revenues:			
Program revenues:			
Charges for service	\$666,306	\$232,208	\$898,514
Operating grants, contributions and restricted interest	1,068,558	156,557	1,225,115
Capital grants, contributions and restricted interest	383,671	-	383,671
General revenues:			
Property tax	2,922,048	-	2,922,048
Local option sales and service tax	442,316	-	442,316
Unrestricted state grants	3,239,011	-	3,239,011
Unrestricted investment earnings	86,462	175	86,637
Other	587,099	-	587,099
Total revenues	\$9,395,471	\$388,940	\$9,784,411
Program expenses:			
Governmental activities:			
Instruction	\$5,886,314	\$-	\$5,886,314
Support services	2,880,710	-	2,880,710
Non-instructional programs	12,515	369,758	382,273
Other expenses	4,064,004	-	4,064,004
Total expenses	\$12,843,543	\$369,758	\$13,213,301
Change in net assets	\$-3,448,072	\$19,182	\$-3,428,890
Net tornado gain (loss)	13,404,106	-	13,404,106
Change in net assets	\$9,956,034	\$19,182	\$9,975,216

Property tax and unrestricted state grants account for 63% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 66% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$9,395,471 and expenses were \$12,843,543. The District experienced a governmental increase of 10.7% and a 39.5% increase in expenditures, which was covered by insurance proceeds from the May 25 tornado.

The following table presents the total and net cost of the District's governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-5
**Total and Net Cost of Governmental
Activities**

	Total Cost of Services	Net Cost of Services
Instruction	\$5,886,314	\$4,249,865
Support Services	2,880,710	2,782,295
Non-instructional programs	12,515	12,515
Other expenses	4,064,004	3,680,333
Totals	\$12,843,543	\$1,0725,008

- The cost financed by users of the District's programs was \$898,514.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,225,115.
- The net cost of governmental activities was financed with \$2,922,048 in property and other taxes and \$3,239,011 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$388,940 and expenses were \$369,758. The District's business type activities include the School Nutrition Fund and Before and After School Program. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Aplington-Parkersburg Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$12,882,111, above last year's ending fund balances of \$2,926,077.

Governmental Fund Highlights

- The General Fund balance increased from \$880,961 to \$1,065,220, due in part to the increase in state and federal revenue.
- The Physical Plant and Equipment Levy (PPEL) Fund balance decreased from \$5,950 in fiscal 2008 to \$35,080 in fiscal 2009.

- Capital Projects Funds:

Capital Project - Lost Fund balance increased from \$569,877 in fiscal 2008 to \$1,071,063 in fiscal 2009. This increase was due to the sale of 5,885,000 in revenue bonds.

Capital Projects Funds balance increased from the sale of \$2,600,000 in general obligation bonds. Balance at June 30, 2009 was \$2,603,482.

Proprietary Fund Highlights

- School Nutrition Fund net assets increased from \$32,752 at June 30, 2008 to \$52,974 at June 30, 2009, representing an increase of approximately 38%. Before and After School Fund net assets decreased from \$3,069 at June 30, 2008 to \$2,029 at June 30, 2009.

BUDGETARY HIGHLIGHTS

Over the course of the year Aplington-Parkersburg School District amended its budget on time to reflect additional expenditures in the support services and other expenditures function area.

The District's receipts were \$527,277 more than budgeted receipts, a variance of 5.4%. The most significant variance resulted from the District receiving more in federal revenue than originally anticipated.

The District's total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

In spite of the District's budgetary practice; the certified budget was exceeded in the instruction function area due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had invested \$16.86 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 1,000% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$263,863.

The original cost of the District's capital assets was \$23.35 million. Governmental funds account for \$23.29 million, with the remainder of \$.06 million accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$13,120,120 at June 30, 2009. This significant increase resulted from construction activity financed by the issuance of voter approved general obligation bonds and revenue bonds totaling \$8,485,000 in fiscal 2009 for construction of a new high school.

Figure A-6
Capital Assets, net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-2009
Land	\$119,065	\$103,065	\$-	\$-	119,065	\$103,065	\$16,000
Construction in process	13,120,120	-	-	-	13,120,120	-	13,120,120
Buildings	1,223,896	685,102	-	-	1,223,896	685,102	538,794
Improvements other than buildings	774,158	364,667	-	-	774,158	364,667	409,491
Furniture and equipment	1,607,262	451,410	14,794	19,861	1,622,056	471,271	1,150,785
Totals	\$16,844,501	\$1,604,244	\$14,794	\$19,861	\$16,859,295	\$1,624,105	\$15,235,190

Long-Term Debt

At June 30, 2009, the District had \$9,643,254 in long-term debt outstanding. This represents an increase of approximately 404% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The District continues to carry a general obligation bond rating of Aa3 assigned by national rating agencies to the District's debt. The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$10 million.

In June 2009, the District's voters authorized the issuance of \$2,600,000 in general obligation bonds to pay for construction of a new high school building. Planning for the project started in fiscal 2008 and the bonds were sold during fiscal 2009. In May 2009, the District issued \$5,885,000 of Statewide (formerly Local Option) Sales and Services Tax revenue bonds for the same project. The District had total outstanding bonded indebtedness at June 30, 2009 of \$9,515,000.

Figure A-7
Outstanding Long-term Obligations

	Outstanding Long-Term Obligations		
	Total		Total
	District		Change
	June 30,		June 30,
	2009	2008	2008-2009
General obligation bonds	\$3,630,000	\$1,230,000	\$2,400,000
Revenue bond	5,885,000	930,000	4,955,000
Early retirement	128,254	226,134	-97,880
Totals	\$9,643,254	\$2,386,134	\$7,257,120

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- The May 25, 2008 tornado destroyed the District's High School. The district is in the process of rebuilding, estimated cost is around \$20 million, which will be funded by insurance proceeds, bond issues and grants.
- The District continues to be financially dependent on state funding, which can change from year to year based on enrollments and legislative actions.
- The District continues to budget for building repairs and equipment replacement as the needs arise.
- The District's solvency ratio has increased from June 30, 2008 to June 30, 2009 from 11.8% to 12.3%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jon Thompson, Superintendent, Aplington-Parkersburg Community School District, 610 North Johnson Road, Parkersburg, IA 50665.

Basic Financial Statements

Aplington-Parkersburg Community School District

Statement of Net Assets

June 30, 2009

	Govern- mental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 7,516,320	\$ 51,565	\$ 7,567,885
Receivables:			
Property tax:			
Delinquent	35,572	-	35,572
Succeeding year	2,798,469	-	2,798,469
Interfund	126,552	-	126,552
Accounts	333,022	-	333,022
Due from other governments	522,348	-	522,348
Inventories	-	4,195	4,195
Capital assets, net of accumulated depreciation	16,844,501	14,794	16,859,295
Total Assets	\$ 28,176,784	\$ 70,554	\$ 28,247,338
Liabilities			
Interfund Payable	\$ 126,552	\$ -	\$ 126,552
Due to other governments	37,193	-	37,193
Accounts payable	1,637,491	71	1,637,562
Salaries and benefits payable	680,902	9,315	690,217
Accrued interest payable	55,633	-	55,633
Deferred Revenue:			
Succeeding year	2,798,469	-	2,798,469
Other	315,179	6,165	321,344
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	210,000	-	210,000
Revenue bonds	-	-	-
Early retirement	43,379	-	43,379
Portion due after one year:			
General obligation bonds	3,420,000	-	3,420,000
Revenue bonds	5,885,000	-	5,885,000
Early retirement	84,875	-	84,875
Total Liabilities	\$ 15,294,673	\$ 15,551	\$ 15,310,224
Net Assets			
Invested in capital assets, net of related debt	\$ 7,329,501	\$ 14,794	\$ 7,344,295
Restricted for:			
Categorical funding	191,709	-	191,709
Management levy	-109,613	-	-109,613
Physical plant and equipment levy	35,080	-	35,080
Other special revenue purposes	198,985	-	198,985
Debt service	601,524	-	601,524
Disaster recovery	142,502	-	142,502
Unrestricted	4,492,423	40,209	4,532,632
Total Net Assets	\$ 12,882,111	\$ 55,003	\$ 12,937,114

Aplington-Parkersburg Community School District

Statement of Activities

Year Ended June 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Governmental Activities:				
Instruction:				
Regular instruction	\$ 3,802,175	\$ 291,913	\$ 910,908	\$ -
Special instruction	877,401	50,134	136,404	-
Other instruction	1,206,738	234,163	12,927	-
	<u>\$ 5,886,314</u>	<u>\$ 576,210</u>	<u>\$ 1,060,239</u>	<u>\$ -</u>
Support Services:				
Student services	\$ 40,694	\$ -	\$ 5,350	\$ -
Instructional staff services	317,245	-	-	-
Administration services	692,815	-	-	-
Operation and maintenance of plant services	1,413,388	661	-	-
Transportation services	416,568	89,435	2,969	-
	<u>\$ 2,880,710</u>	<u>\$ 90,096</u>	<u>\$ 8,319</u>	<u>\$ -</u>
Non-instructional programs	<u>\$ 12,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Expenditures:				
Facilities acquisition	\$ 3,578,671	\$ -	\$ -	\$ 383,671
Long-term debt interest	211,476	-	-	-
AEA flow-through	273,857	-	-	-
	<u>\$ 4,064,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 383,671</u>
Total Governmental Activities	<u>\$ 12,843,543</u>	<u>\$ 666,306</u>	<u>\$ 1,068,558</u>	<u>\$ 383,671</u>
Business Type Activities:				
Non-Instructional Programs:				
Food service operations	\$ 360,474	\$ 223,967	\$ 156,557	\$ -
Before & After School Program fees	9,284	8,241	-	-
	<u>\$ 369,758</u>	<u>\$ 232,208</u>	<u>\$ 156,557</u>	<u>\$ -</u>
Total	<u>\$ 13,213,301</u>	<u>\$ 898,514</u>	<u>\$ 1,225,115</u>	<u>\$ 383,671</u>

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities		Business Type Activities		Total
\$	-2,599,354	\$	-	\$ -2,599,354
	-690,863		-	-690,863
	-959,648		-	-959,648
\$	-4,249,865	\$	-	\$ -4,249,865
\$	-35,344	\$	-	\$ -35,344
	-317,245		-	-317,245
	-692,815		-	-692,815
	-1,412,727		-	-1,412,727
	-324,164		-	-324,164
\$	-2,782,295	\$	-	\$ -2,782,295
\$	-12,515		-	\$ -12,515
\$	-3,195,000	\$	-	\$ -3,195,000
	-211,476		-	-211,476
	-273,857		-	-273,857
\$	-3,680,333	\$	-	\$ -3,680,333
\$	-10,725,008	\$	-	\$ -10,725,008
\$	-	\$	20,050	\$ 20,050
	-		-1,043	-1,043
\$	-	\$	19,007	\$ 19,007
\$	-10,725,008	\$	19,007	\$ -10,706,001

Aplington-Parkersburg Community School District

Statement of Activities

Year Ended June 30, 2009

	Program Revenues		
	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Expenses			

General Revenues:

Property Tax Levied For:
 General purposes
 Debt service
 Capital outlay
Local option sales and services tax
Unrestricted state grants
Unrestricted investment earnings
Other

Total General Revenues

Change in net assets

Proceeds from insurance – tornado
Loss on assets – tornado
Extraordinary – FEMA repayment

Net tornado gain (loss)

Change in net assets
Net assets beginning of year

Net Assets End of Year

See notes to financial statements.

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ 2,594,369	\$ -	\$ 2,594,369
264,043	-	264,043
63,636	-	63,636
442,316	-	442,316
3,239,011	-	3,239,011
86,462	175	86,637
587,099	-	587,099
<u>\$ 7,276,936</u>	<u>\$ 175</u>	<u>\$ 7,277,111</u>
\$ -3,448,072	\$ 19,182	\$ -3,428,890
\$ 13,691,221	\$ -	\$ 13,691,221
-186,710	-	-186,710
-100,405	-	-100,405
<u>\$ 13,404,106</u>	<u>\$ -</u>	<u>\$ 13,404,106</u>
\$ 9,956,034	\$ 19,182	\$ 9,975,216
2,926,077	35,821	2,961,898
<u>\$ 12,882,111</u>	<u>\$ 55,003</u>	<u>\$ 12,937,114</u>

Aplington-Parkersburg Community School District

**Balance Sheet
Governmental Funds**

June 30, 2009

	General	Debt Service	Capital Project: Lost	Capital Projects
Assets				
Cash and Pooled Investments	\$ 1,414,752	\$ 603,101	\$ 916,512	\$ 2,603,482
Receivables:				
Property Tax:				
Delinquent	28,493	3,494	-	-
Succeeding year	2,200,794	330,456	-	-
Interfund	126,552	-	-	-
Accounts	98,288	-	-	-
Due from other governments	367,797	-	154,551	-
Total Assets	\$ 4,236,676	\$ 937,051	\$ 1,071,063	\$ 2,603,482
Liabilities and Fund Balances				
Liabilities:				
Interfund Payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	37,193	-	-	-
Accounts payable	15,061	5,071	-	-
Salaries and benefits payable	603,229	-	-	-
Deferred Revenue:				
Other	315,179	-	-	-
Succeeding year property tax	2,200,794	330,456	-	-
Total Liabilities	\$ 3,171,456	\$ 335,527	\$ -	\$ -
Fund Balances:				
Categorical funding	\$ 191,709	\$ -	\$ -	\$ -
Reserved	-	601,524	-	-
Unreserved	873,511	-	1,071,063	2,603,482
Total Fund Balance	\$ 1,065,220	\$ 601,524	\$ 1,071,063	\$ 2,603,482
Total Liabilities and Fund Balances	\$ 4,236,676	\$ 937,051	\$ 1,071,063	\$ 2,603,482

See notes to financial statements.

Disaster Recovery: Tornado	Non-major Special Revenue	Total
\$ 1,643,037	\$ 335,436	\$ 7,516,320
-	3,585	35,572
-	267,219	2,798,469
-	-	126,552
234,662	72	333,022
-	-	522,348
<u>\$ 1,877,699</u>	<u>\$ 606,312</u>	<u>\$ 11,332,283</u>
\$ 126,552	\$ -	\$ 126,552
-	-	37,193
1,608,645	8,714	1,637,491
-	77,673	680,902
-	-	315,179
-	267,219	2,798,469
<u>\$ 1,735,197</u>	<u>\$ 353,606</u>	<u>\$ 5,595,786</u>
\$ -	\$ -	\$ 191,709
-	-	601,524
142,502	252,706	4,943,264
<u>\$ 142,502</u>	<u>\$ 252,706</u>	<u>\$ 5,736,497</u>
<u>\$ 1,877,699</u>	<u>\$ 606,312</u>	<u>\$ 11,332,283</u>

Aplington-Parkersburg Community School District
Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Assets

June 30, 2009

Total fund balances of governmental funds (page 16)	\$ 5,736,497
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds	16,844,501
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds	-55,633
Long-term liabilities, including early retirement and capital lease, are not due and payable in the current period and, therefore, are not reported in the funds	<u>-9,643,254</u>
Net assets of governmental activities (page 13)	<u>\$ 12,882,111</u>

Aplington-Parkersburg Community School District

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds**

Year Ended June 30, 2009

	General	Debt Service	Capital Projects: Lost	Capital Projects
Revenues:				
Local Sources:				
Local tax	\$ 2,394,521	\$ 264,043	\$ 442,316	\$ -
Tuition	318,896	-	-	-
Other	280,215	651	2,014	3,482
Intermediate sources	-	-	-	-
State sources	4,006,448	190	-	-
Federal sources	250,736	-	-	-
Total Revenues	\$ 7,250,816	\$ 264,884	\$ 444,330	\$ 3,482
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 3,446,571	\$ -	\$ -	\$ -
Special instruction	876,402	-	-	-
Other instruction	695,465	-	-	-
	\$ 5,018,438	\$ -	\$ -	\$ -
Support Services:				
Student services	\$ 40,694	\$ -	\$ -	\$ -
Instructional staff services	220,271	-	21,939	-
Administration services	655,843	-	-	-
Operation and maintenance of plant services	572,186	-	-	-
Transportation services	285,268	-	1,500	-
	\$ 1,774,262	\$ -	\$ 23,439	\$ -
Non-instructional programs	\$ -	\$ -	\$ -	\$ -
Other Expenditures:				
Facilities acquisition	\$ -	\$ -	\$ 110,455	\$ -
Long-Term Debt:				
Principal	-	1,130,000	-	-
Interest and fiscal charges	-	176,116	-	-
AEA flow-through	273,857	-	-	-
	\$ 273,857	\$ 1,306,116	\$ 110,455	\$ -
Total Expenditures	\$ 7,066,557	\$ 1,306,116	\$ 133,894	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 184,259	\$ -1,041,232	\$ 310,436	\$ 3,482
Other Financing Sources (Uses):				
Extraordinary – FEMA payment	\$ -	\$ -	\$ -	\$ -
Extraordinary items - insurance	-	-	-	-
Bond proceeds	-	-	5,885,000	2,600,000
Operating transfers in (out)	-	1,553,730	-5,694,250	-
Total Other Financing Sources (Uses)	\$ -	\$ 1,553,730	\$ 190,750	\$ 2,600,000
Net change in fund balances	\$ 184,259	\$ 512,498	\$ 501,186	\$ 2,603,482
Fund balances beginning of year	880,961	89,026	569,877	-
Fund Balances End of Year	\$ 1,065,220	\$ 601,524	\$ 1,071,063	\$ 2,603,482

See notes to financial statements.

Disaster Recovery: Tornado	Non-Major Special Revenue	Total
\$ -	\$ 263,484	\$ 3,364,364
-	-	318,896
252,566	532,043	1,070,971
-	-	-
-	195	4,006,833
383,671	-	634,407
\$ 636,237	\$ 795,722	\$ 9,395,471
\$ 234,916	\$ 87,172	\$ 3,768,659
-	-	876,402
-	494,791	1,190,256
\$ 234,916	\$ 581,963	\$ 5,835,317
\$ -	\$ -	\$ 40,694
75,035	-	317,245
9,564	21,173	686,580
737,896	83,551	1,393,633
264,226	15,426	566,420
\$ 1,086,721	\$ 120,150	\$ 3,004,572
\$ -	\$ 7,690	\$ 7,690
\$ 18,895,087	\$ 29,936	\$ 19,035,478
-	-	1,130,000
-	-	176,116
-	-	273,857
\$ 18,895,087	\$ 29,936	\$ 20,615,451
\$ 20,216,724	\$ 739,739	\$ 29,463,030
\$ -19,580,487	\$ 55,983	\$ -20,067,559
\$ -100,405	\$ -	\$ -100,405
13,691,221	-	13,691,221
-	-	8,485,000
4,140,520	-	-
\$ 17,731,336	\$ -	\$ 22,075,816
\$ -1,849,151	\$ 55,983	\$ 2,008,257
1,991,653	196,723	3,728,240
\$ 142,502	\$ 252,706	\$ 5,736,497

Aplington-Parkersburg Community School District

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances – Governmental Funds
To the Statement of Activities**

Year Ended June 30, 2009

Net change in fund balances – total governmental funds (page 18) \$ 2,008,257

***Amounts reported for governmental activities in the Statement of Activities are
different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Loss on disposal of assets: Tornado	\$ -186,710	
Expenditures for capital assets	15,690,830	
Depreciation expense	<u>-263,863</u>	15,240,257

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year repayments exceeded issues, as follows:

Issued	\$ -8,485,000	
Repaid	<u>1,130,000</u>	-7,355,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

-35,360

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	<u>97,880</u>
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Change in Net Assets of Governmental Activities (page 15)

\$ 9,956,034

Aplington-Parkersburg Community School District

Statement of Net Assets
Proprietary Funds

June 30, 2009

	School Nutrition Fund	Non-Major Before & After School Fund	Total
Assets			
Cash and cash equivalents	\$ 49,536	\$ 2,029	\$ 51,565
Inventories	4,195	-	4,195
Capital assets, net of accumulated depreciation	14,794	-	14,794
Total Assets	\$ 68,525	\$ 2,029	\$ 70,554
Liabilities			
Accounts payable	\$ 71	\$ -	\$ 71
Salaries and benefits payable	9,315	-	9,315
Deferred revenue	6,165	-	6,165
Total Liabilities	\$ 15,551	\$ -	\$ 15,551
Net Assets			
Invested in capital assets, net of related debt	\$ 14,794	\$ -	\$ 14,794
Unrestricted	38,180	2,029	40,209
Total Net Assets	\$ 52,974	\$ 2,029	\$ 55,003

Aplington-Parkersburg Community School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds

June 30, 2009

	School Nutrition Fund	Non-Major Before & After School Fund	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 223,967	\$ 8,241	\$ 232,208
Operating expenses:			
Non-instructional programs:			
Salaries	\$ 116,120	\$ 7,754	\$ 123,874
Benefits	22,531	1,086	23,617
Purchased services	3,566	-	3,566
Supplies	212,965	444	213,409
Depreciation	5,067	-	5,067
Other	225	-	225
Total operating expenses	\$ 360,474	\$ 9,284	\$ 369,758
Operating (loss) income	\$ -136,507	\$ -1,043	\$ -137,550
Non-operating revenues:			
State sources	\$ 4,487	\$ -	\$ 4,487
Federal sources	152,070	-	152,070
Interest income	172	3	175
Total non-operating revenues	\$ 156,729	\$ 3	\$ 156,732
Change in net assets	\$ 20,222	\$ -1,040	\$ 19,182
Net assets beginning of year	32,752	3,069	35,821
Net Assets End of Year	\$ 52,974	\$ 2,029	\$ 55,003

Aplington-Parkersburg Community School District

Statement of Cash Flows
Proprietary Funds

Year Ended June 30, 2009

	School Nutrition Fund	Non-Major Before & After School Fund	Total
Cash flows from operating activities:			
Cash received from daycare fees	\$ -	\$ 8,487	\$ 8,487
Cash received from sale of lunches and breakfasts	223,477	-	223,477
Cash paid to employees for services	-138,093	-8,840	-146,933
Cash paid to suppliers for goods or services	-213,982	-444	-214,426
Net cash used by operating activities	\$ -128,598	\$ -797	\$ -129,395
Cash flows from non-capital financing activities:			
State grants received	\$ 4,487	\$ -	\$ 4,487
Federal grants received	124,835	-	124,835
Cash in lieu of commodities	23,425	-	23,425
Net cash provided by non-capital financing activities	\$ 152,747	\$ -	\$ 152,747
Cash flows from investing activities:			
Interest on investments	\$ 172	\$ 3	\$ 175
Net increase (decrease) in cash and cash equivalents	\$ 24,321	\$ -794	\$ 23,527
Cash and cash equivalents beginning of year	25,215	2,823	28,038
Cash and Cash Equivalents End of Year	\$ 49,536	\$ 2,029	\$ 51,565
Reconciliation of operating loss to net cash used by operating activities:			
Operating (loss) income	\$ -136,507	\$ -1,043	\$ -137,550
Adjustments to reconcile operating loss to net cash used by operating activities:			
Commodities used	3,810	-	3,810
Depreciation	5,067	-	5,067
(Increase) Decrease in inventories	-1,036	-	-1,036
(Increase) Decrease in accounts receivable	459	246	705
Increase (decrease) in salaries and benefits payable	559	-	559
Increase (Decrease) in deferred revenue	-950	-	-950
Net Cash Used by Operating Activities	\$ -128,598	\$ -797	\$ -129,395

Non-cash investing, capital and financing activities:

During the year ended June 30, 2009, the District received \$3,810 of federal commodities.

Aplington-Parkersburg Community School District

Statement of Fiduciary Net Assets
Fiduciary Fund

Year Ended June 30, 2009

	Private Purpose Trust <u>Scholarship</u>
Assets	
Cash and pooled investments	\$ 295,097
Total Assets	<u>\$ 295,097</u>
Liabilities	<u>\$ -</u>
Net assets	
Reserved for scholarships	<u>\$ 295,097</u>

Aplington-Parkersburg Community School District

Statement of Changes in Fiduciary Net Assets
Fiduciary Fund

Year Ended June 30, 2009

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Interest income	\$ 4,912
Total additions	<u>\$ 4,912</u>
Deductions:	
Support services:	
Scholarships awarded	\$ -
Total Deductions	<u>\$ -</u>
Change in net assets	\$ 4,912
Net assets beginning of year	<u>290,185</u>
Net Assets End of Year	<u>\$ 295,097</u>

Aplington-Parkersburg Community School District

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies

Aplington-Parkersburg Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Aplington and Parkersburg, Iowa and portions of the predominately agricultural territories in Butler and Grundy Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U. S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Aplington-Parkersburg Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Aplington-Parkersburg Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Funds are used to account for all resources used in the acquisition and construction of capital facilities.

The Disaster Recovery Fund is used to account for all resources used in the acquisition, construction and recovery of damaged assets.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds, which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements, which require income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2008.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20 – 50 years
Furniture and equipment	5 – 15 years

Salaries and Benefits Payable -- Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

During the year ended June 30, 2009, expenditures in the instruction function exceeded the amount budgeted.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

(3) Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2009 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: LOST	\$ 1,553,730
Disaster Recovery -- Tornado	Capital Projects: LOST	4,140,520
		<u>\$ 5,694,250</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(4) Iowa School Cash Anticipation Program (ISCAP)

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings and amounts available for withdrawal for each outstanding series of warrants. Bankers Trust Co. NA is the trustee for the program. The District did not participate in ISCAP for the year ended June 30, 2009.

(5) **Capital Assets**

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 103,065	\$ 16,000	\$ -	\$ 119,065
Construction in process	-	13,120,120	-	13,120,120
Total capital assets not being depreciated	\$ 103,065	\$ 13,136,120	\$ -	\$ 13,239,185
Capital assets being depreciated:				
Buildings	\$ 4,597,374	\$ 954,830	\$ 1,184,546	\$ 4,367,658
Improvements other than buildings	620,924	593,592	165,622	1,048,894
Furniture and equipment	3,888,834	1,006,288	263,734	4,631,388
Total capital assets being depreciated	\$ 9,107,132	\$ 2,554,710	\$ 1,613,902	\$ 10,047,940
Less accumulated depreciation for:				
Buildings	\$ 3,912,272	\$ 47,901	\$ 816,411	\$ 3,143,762
Improvements other than buildings	256,257	34,157	15,678	274,736
Furniture and equipment	3,437,424	181,805	595,103	3,024,126
Total accumulated depreciation	\$ 7,605,953	\$ 263,863	\$ 1,427,192	\$ 6,442,624
Total capital assets being depreciated, net	\$ 1,501,179	\$ 2,290,847	\$ -186,710	\$ 3,605,316
Governmental Activities Capital Assets, Net	\$ 1,604,244	\$ 15,426,967	\$ -186,710	\$ 16,844,501
Business type activities:				
Furniture and equipment	\$ 60,812	\$ -	\$ -	\$ 60,812
Less accumulated depreciation	40,951	5,067	-	46,018
Business Type Activities Capital Assets, Net	\$ 19,861	\$ 5,067	\$ -	\$ 14,794

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

Regular	\$ 131,396
Special	999
Other	16,482

Support services:

Instructional staff	-
Administration	6,235
Operation and maintenance of plant	19,755
Transportation	84,171

Non Instructional

Total Depreciation Expense – Governmental Activities

4,825
<u>\$ 263,863</u>

Business Type Activities:

Food service operations	\$ 5,067
Before & After School	-
Total Depreciation Expense – Business Type Activities	<u>\$ 5,067</u>

(6) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2009 are summarized as follows:

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
General obligation bonds	\$ 1,230,000	\$ 2,600,000	\$ 200,000	\$ 3,630,000	\$ 210,000
Lost revenue bond	930,000	5,885,000	930,000	5,885,000	-
Early retirement	226,134	-	97,880	128,254	43,379
Total	\$ 2,386,134	\$ 8,485,000	\$ 1,227,880	\$ 9,643,254	\$ 253,379

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-five and must have completed ten years of continuous service to the District. Employees must complete an application, which is subject to approval by the Board of Education. The early retirement incentive for each eligible employee approved by the Board will be based on the employee's salary in effect the last year of the employee's employment with the District. For licensed employees, the amount will be 75% of the employee's current salary less supplemental pay or extended contract pay. This amount shall be the lump sum amount of early retirement incentive the employee will receive upon retirement. All or part of this amount may be applied towards medical insurance premiums or a lump sum will be paid over a period of up to five years. Early retirement expenditures for the year ended June 30, 2009 totaled \$97,880.

General Obligation Bonds Payable

Details of the District's June 30, 2009 general obligation bonded indebtedness are as follows:

Refinanced June 4, 2008

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2010	2.55%	\$ 210,000	\$ 30,492	\$ 240,492
2011	2.75%	220,000	25,138	245,138
2012	2.95%	220,000	19,087	239,087
2013	3.25%	215,000	12,598	227,598
2014	3.40%	165,000	5,610	170,610
Total		\$ 1,030,000	\$ 92,925	\$ 1,122,925

General Obligation Bonds Payable continued

Issued June 1, 2009

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2010	3.75%	\$ -	\$ 106,013	\$ 106,013
2011	3.75%	-	106,012	106,012
2012	3.75%	-	106,013	106,013
2013	3.75%	-	106,012	106,012
2014	3.75%	-	106,013	106,013
2015	3.75%	120,000	106,012	226,012
2016	3.75%	125,000	101,513	226,513
2017	3.75%	135,000	96,825	231,825
2018	3.75%	140,000	91,762	231,762
2019	3.75%	145,000	86,513	231,513
2020	3.75%	155,000	81,075	236,075
2021	4.00%	160,000	75,262	235,262
2022	4.00%	170,000	68,863	238,863
2023	4.00%	180,000	62,062	242,062
2024	4.10%	185,000	54,863	239,863
2025	4.20%	195,000	47,277	242,277
2026	4.30%	205,000	39,088	244,088
2027	4.35%	215,000	30,272	245,272
2028	4.40%	230,000	20,920	250,920
2029	4.50%	240,000	10,800	250,800
Total		\$ 2,600,000	\$ 1,503,170	\$ 4,103,170

Lost Revenue Bonds

Details of the District's June 30, 2009 Local Option sales and service tax revenue bonded indebtedness are as follows:

Issued May 1, 2009

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2010	4.50%	\$ -	\$ 199,545	\$ 199,545
2011	4.50%	105,000	296,955	401,955
2012	4.50%	155,000	291,105	446,105
2013	4.50%	165,000	283,905	448,905
2014	4.50%	215,000	275,355	490,355
2015	4.50%	225,000	265,455	490,455
2016	4.50%	235,000	255,105	490,105
2017	4.50%	245,000	244,305	489,305
2018	4.50%	255,000	233,055	488,055
2019	4.50%	265,000	221,355	486,355
2020	4.75%	280,000	208,743	488,743
2021	5.00%	295,000	194,717	489,717
2022	5.10%	310,000	179,438	489,438
2023	5.20%	325,000	163,082	488,082
2024	5.25%	340,000	145,708	485,708
2025	5.30%	360,000	127,242	487,242
2026	5.40%	375,000	107,578	482,578
2027	5.50%	400,000	86,453	486,453
2028	5.60%	420,000	63,692	483,692
2029	5.65%	445,000	39,361	484,361
2030	5.70%	470,000	13,395	483,395
Total		\$ 5,885,000	\$ 3,895,549	\$ 9,780,549

The District has pledged future local option (statewide) sales and services tax revenues to repay the \$5,885,000 of bonds issued in May 2009. The bonds were issued for the purpose of financing a portion of the costs of a new school. The bonds are payable solely from the proceeds of the local option (statewide) sales and services tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100 percent of the local option (statewide) sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$9,780,549.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) \$501,610 of the proceeds from the issuance of the revenue bonds was deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the local option (statewide) sales and services tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Total principal, interest, fees and issuance cost paid was \$1,306,116.

(7) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual covered payroll for the years ended June 30, 2009, 2008 and 2007. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$260,006, \$232,135, and \$216,742, respectively, equal to the required contributions for each year.

(8) Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$273,851 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Commitments

On May 25, 2008 the District facilities in Parkersburg experienced a tornado and lost the high school located in Parkersburg. As a result the district has various contracts for the construction of a new high school for \$17,000,000. Insurance proceeds of approximately \$13 million was received.

At June 30, 2009, the District had \$3.7 million remaining of work to be completed on the project, with approximately \$13 million in construction in process.

Required Supplementary Information

Aplington-Parkersburg Community School District

**Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances –
Budget and Actual – All Governmental Funds and Proprietary Funds**

Required Supplementary Information

Year Ended June 30, 2009

	Governmental Funds Actual	Proprietary Funds Actual
Receipts:		
Local sources	\$ 4,754,231	\$ 232,383
Intermediate sources	-	-
State sources	4,006,833	4,487
Federal sources	634,407	152,070
Total Receipts	<u>\$ 9,395,471</u>	<u>\$ 388,940</u>
Disbursements:		
Instruction	\$ 5,835,317	\$ -
Support services	3,004,572	-
Non-instructional programs	7,690	369,758
Other expenditures	20,615,451	-
Total Disbursements	<u>\$ 29,463,030</u>	<u>\$ 369,758</u>
Excess (deficiency) of receipts over (under) disbursements	\$ -20,067,559	\$ 19,182
Other financing sources, net	<u>22,075,816</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	\$ 2,008,257	\$ 19,182
Balances beginning of year	<u>3,728,240</u>	<u>35,821</u>
Balances End of Year	<u>\$ 5,736,497</u>	<u>\$ 55,003</u>

See accompanying independent auditor's report.

	Total Actual		Budgeted Amounts			Final to Actual Variance
			Original	Final		
\$	4,986,614	\$	4,704,777	\$ 4,704,777	\$	281,837
	-		-	-		-
	4,011,320		4,192,357	4,192,357		-181,037
	786,477		360,000	360,000		426,477
\$	9,784,411	\$	9,257,134	\$ 9,257,134	\$	527,277
\$	5,835,317	\$	5,466,775	\$ 5,466,775	\$	-368,542
	3,004,572		2,200,930	3,500,000		495,428
	377,448		467,000	467,000		89,552
	20,615,451		3,718,366	30,000,000		9,384,549
\$	29,832,788	\$	11,853,071	\$ 39,433,775	\$	9,600,987
\$	-20,048,377	\$	-2,595,937	\$ -30,176,641	\$	10,128,264
	22,075,816		-	27,580,704		-5,504,888
\$	2,027,439	\$	-2,595,937	\$ -2,595,937	\$	4,623,376
	3,764,061		4,028,955	4,028,955		-264,894
\$	5,791,500	\$	1,433,018	\$ 1,433,018	\$	4,358,482

Aplington-Parkersburg Community School District
Notes to Required Supplementary Information – Budgetary Reporting
Year Ended June 30, 2009

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$27,580,704.

During the year ended June 30, 2009, expenditures in the instruction function exceeded the amount budgeted.

Other Supplementary Information

Aplington-Parkersburg Community School District

Combining Balance Sheet
Non-Major Special Revenue Funds

June 30, 2009

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Cash and pooled investments	\$ 93,571	\$ 205,442	\$ 36,423	\$ 335,436
Receivables:				
Property Tax:				
Delinquent	2,743	-	842	3,585
Succeeding year	200,000	-	67,219	267,219
Accounts	-	72	-	72
Total Assets	\$ 296,314	\$ 205,514	\$ 104,484	\$ 606,312
Liabilities & Fund Equity				
Liabilities:				
Salaries and benefits payable	\$ 77,673	\$ -	\$ -	\$ 77,673
Accounts payable	-	6,529	2,185	8,714
Deferred Revenue:				
Succeeding year property tax	200,000	-	67,219	267,219
Total liabilities	\$ 277,673	\$ 6,529	\$ 69,404	\$ 353,606
Fund Equity:				
Unreserved fund balances	\$ 18,641	\$ 198,985	\$ 35,080	\$ 252,706
Total Liabilities and Fund Equity	\$ 296,314	\$ 205,514	\$ 104,484	\$ 606,312

Aplington-Parkersburg Community School District

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds**

Year Ended June 30, 2009

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local Sources:				
Local tax	\$ 199,848	\$ -	\$ 63,636	\$ 263,484
Other	12,717	519,244	82	532,043
State sources	149	-	46	195
Total Revenues	\$ 212,714	\$ 519,244	\$ 63,764	\$ 795,722
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 87,172	\$ -	\$ -	\$ 87,172
Other instruction	-	494,791	-	494,791
Support Services:				
Administration service	21,173	-	-	21,173
Operation & maintenance of plant services	78,853	-	4,698	83,551
Transportation services	15,426	-	-	15,426
Non-instructional	7,690	-	-	7,690
Other Expenditures:				
Facilities acquisition	-	-	29,936	29,936
Total Expenditures	\$ 210,314	\$ 494,791	\$ 34,634	\$ 739,739
Excess (deficiency) of revenues over (under) expenditures	\$ 2,400	\$ 24,453	\$ 29,130	\$ 55,983
Fund balances beginning of year	16,241	174,532	5,950	196,723
Fund Balances End of Year	\$ 18,641	\$ 198,985	\$ 35,080	\$ 252,706

Aplington-Parkersburg Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2009

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Athletics	\$ 12,385	\$ 87,631	\$ 64,742	\$ -99	\$ 35,175
Music	9,146	15,784	3,028	-	21,902
Wellness	620	-	-	-	620
All weather track	5,660	48	4,458	-	1,250
Class of 2009	4,303	7,352	11,618	-37	-
Class of 2010	2,429	5,454	5,575	37	2,345
Class of 2011	1,988	975	-	-194	2,769
Class of 2012	358	1,100	-	3,368	4,826
Class of 2013	2,747	379	904	1,070	3,292
Class of 2014	3,078	1,792	2,004	-1,790	1,076
Class of 2015	-	861	861	1,316	1,316
National Honor Society	2,340	1,767	1,898	-	2,209
Student Senate	1,187	7,599	6,121	-	2,665
Future Farmers of America	3,492	12,209	11,119	194	4,776
Cheerleaders	4,565	2,254	5,431	-	1,388
Musical	3,172	-	-	-	3,172
Drill Team	1,580	5,150	2,334	-	4,396
Spanish Club	6,257	13,523	16,920	-	2,860
Speech & Drama	3,546	1,685	1,251	-	3,980
Concessions	1,134	5,197	5,550	-	781
Popper	510	-	-	-	510
Towel	2,299	6	-	-	2,305
Elementary	5,232	1,669	789	-	6,112
Band trip	7,272	-	-	-	7,272
Athletic resale	5,528	23,532	27,226	-	1,834
Lift-A-Thon	7,644	8,180	10,994	-	4,830
S.A.D.D.	58	-	-	-	58
Awards	-	623	722	99	-
First Aid	3,194	21,147	15,856	-	8,485
Auditorium	67	-	-	-	67
N.F.L.	54,264	245,754	254,876	-	45,142
Greenhouse	648	908	-	-	1,556
High School Activity	645	285	-	-	930
Industrial Arts Projects	1,114	-	-	-	1,114
SAGA	20	-	-	-	20
Field Maintenance	-	7,200	3,511	-	3,689
Middle School:					
Athletics	27	-	-	-	27
Special needs athletics	76	-	-	-	76
Promotion	1,419	264	2,070	387	-
Drama	-	270	431	161	-
Student Council	3,824	3,993	3,619	157	4,355
Athletic resale	59	-	-	-	59
Magazine sales	2,601	8,464	5,366	-4,955	744
Library	2,444	270	200	-	2,514
DC Trip	-	19,453	17,901	834	2,386

Aplington-Parkersburg Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2009

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Middle School (continued)					
Juice sales	\$ 401	\$ -	\$ -	\$ -	\$ 401
Pop sales	324	3,814	4,003	-	135
Pictures	1,495	1,230	3,141	542	126
Vocal music	163	110	31	-	242
Band	413	227	-	-	640
Elementary:					
Pictures	1,769	488	241	-1,090	926
Summer program	267	-	-	-	267
ATOM Elementary project	768	243	-	-	1,011
ATOM Elementary Ram	-	354	-	-	354
Total	\$ 174,532	\$ 519,244	\$ 494,791	\$ -	\$ 198,985

See accompanying independent auditor's report.

Aplington-Parkersburg Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Six Years

	Modified Accrual Basis		
	2009	2008	2007
Revenues:			
Local Sources:			
Local tax	\$ 3,364,364	\$ 3,408,697	\$ 3,241,494
Tuition	318,896	318,678	345,948
Other	1,070,971	555,681	487,570
Intermediate sources	-	-	-
State sources	4,006,833	3,960,837	3,796,150
Federal sources	634,407	158,221	170,914
Total	\$ 9,395,471	\$ 8,399,114	\$ 8,042,076
Expenditures:			
Instruction:			
Regular instruction	\$ 3,768,659	\$ 3,260,757	\$ 3,198,502
Special instruction	876,402	845,460	915,034
Other instruction	1,190,256	886,436	873,667
Support services:			
Student services	40,694	59,355	102,868
Instructional staff services	317,245	271,993	245,754
Administrative services	686,580	611,976	598,455
Operation and maintenance of plant services	1,393,633	732,427	692,113
Transportation services	566,420	293,809	487,279
Non-instructional programs	7,690	7,075	6,609
Other expenditures:			
Facilities acquisition	19,035,478	1,163,712	225,179
Long-term debt:			
Principal	1,130,000	1,400,000	175,000
Interest and other charges	176,116	95,620	72,825
AEA flow-through	273,857	260,889	249,614
Total	\$ 29,463,030	\$ 9,889,509	\$ 7,842,899

See accompanying independent auditor's report.

Aplington-Parkersburg Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Four Years

Modified Accrual Basis		
2006	2005	2004
\$ 3,116,380	\$ 2,833,215	\$ 2,891,080
320,342	298,814	314,914
466,783	382,787	792,664
-	-	-
3,730,438	3,640,225	3,194,555
170,888	250,388	224,896
<u>\$ 7,804,831</u>	<u>\$ 7,405,429</u>	<u>\$ 7,418,109</u>

\$ 3,146,628	\$ 3,220,726	\$ 3,084,911
806,494	736,950	1,362,937
788,842	774,968	545,102
229,827	221,810	127,511
295,706	280,722	306,411
712,495	677,074	795,733
747,734	637,839	623,781
379,475	255,392	308,478
6,107	4,571	2,188
152,468	67,076	48,764
170,000	286,967	251,835
80,560	93,486	130,622
240,057	238,210	240,613
<u>\$ 7,756,393</u>	<u>\$ 7,495,791</u>	<u>\$ 7,828,886</u>

Aplington-Parkersburg Community School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2009

Grantor/Program	CFDA Number	Grant Number	Expendi- tures
Indirect:			
US Department of Agriculture:			
Iowa Department of Education:			
Food Donation (noncash)	10.550	FY09	\$ 3,810
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY09	\$ 15,472
National School Lunch Program	10.555	FY09	109,363
Cash in Lieu of Commodities	10.565	FY09	23,425
			<u>148,260</u>
US Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY09	\$ 67,359
Career and Technical Education--Basic Grants to States	84.048	FY09	\$ 6,445
Safe and Drug-Free Schools and Communities--State Grants	84.186	FY09	\$ 4,335
State Grants for Innovative Programs	84.298	FY09	\$ 5,350
Improving Teacher Quality State Grants	84.367	FY09	\$ 32,899
ARRA--Title I Grants to Local Educational Agencies-- Recovery Act	84.389	FY09	\$ 6,798
ARRA--State Fiscal Stabilization Fund (SFSF)--Education State Grants, Recovery Act	84.394	FY09	\$ 65,303
Area Education Agency:			
Special Education--Grants to States	84.027	FY09	\$ 40,393
ARRA--Special Education--Grants to States- Recovery Act	84.391	FY09	\$ 21,854
US Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants--Public Assistance (FEMA) (Presidentially Declared Disasters)	97.036	FY09	\$ 383,671
Total			<u>\$ 786,477</u>

Basis of Presentation--The schedule of expenditures of Federal Awards includes the federal grant activity of Aplington-Parkersburg Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

To the Board of Education of
Aplington-Parkersburg Community School District:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Aplington-Parkersburg Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued my report thereon dated November 18, 2009. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Aplington-Parkersburg Community School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of Aplington-Parkersburg Community School District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Aplington-Parkersburg Community School District's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies and other deficiencies I consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Aplington-Parkersburg Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Aplington-Parkersburg Community School District's financial statements that is more inconsequential will not be prevented or detected by Aplington-Parkersburg Community School District's internal control. I consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Aplington-Parkersburg Community School District's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, I believe item II-A-09 is a material weakness.

Compliance and Other Matters

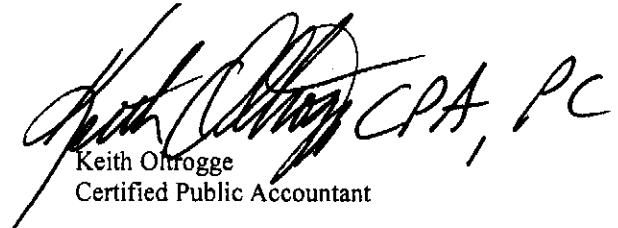
As part of obtaining reasonable assurance about whether Aplington-Parkersburg Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Aplington-Parkersburg Community School District's responses to findings identified in my audit are described in the accompanying Schedule of Findings. While I have expressed my conclusions on the District's responses, I did not audit Aplington-Parkersburg Community School District's responses and, accordingly, I express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Aplington-Parkersburg Community School District and other parties to whom Aplington-Parkersburg Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Aplington-Parkersburg Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.


Keith Olrogge
Certified Public Accountant

November 18, 2009

**Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133**

Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133

To the Board of Education of
Aplington-Parkersburg Community School District:

Compliance

I have audited the compliance of Aplington-Parkersburg Community School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Aplington-Parkersburg Community School District's major federal program are identified in the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Evansdale Municipal Housing Authority's management. My responsibility is to express an opinion on Aplington-Parkersburg Community School District's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Evansdale Municipal Housing Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Evansdale Municipal Housing Authority's compliance with those requirements.

In my opinion, Aplington-Parkersburg Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Aplington-Parkersburg Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing my audit, I considered Aplington-Parkersburg Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Aplington-Parkersburg Community School District's internal control over compliance.

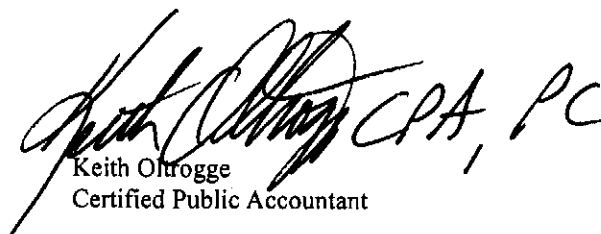
My consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, I identified a deficiency in internal control over compliance that I consider to be a material weakness.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control. I consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-09 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. I consider the significant deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-09 to be a material weakness.

Aplington-Parkersburg Community School District's responses to findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs. While I have expressed my conclusions on the District's responses, I did not audit Aplington-Parkersburg Community School District's responses and, accordingly, I express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Aplington-Parkersburg Community School District and other parties to whom Aplington-Parkersburg Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

 CPA, PC
Keith Oltrogge
Certified Public Accountant

November 18, 2009

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2009

Part I – Summary of the Independent Auditor's Results:

- a) Unqualified opinions were issued on the financial statements.
- b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- c) The audit did not disclose any non-compliance which is material to the financial statements.
- d) A significant deficiency in internal control over the major programs was disclosed by the audit of the financial statements, which was considered to be a material weakness.
- e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- g) Major programs were as follows:
 - CFDA Number 97.036–Disaster Grants–Public Assistance (FEMA)
 - Clustered programs:
 - CFDA Number 10.553–School Breakfast Program
 - CFDA Number 10.553–National School Lunch Program
 - CFDA Number 10.565–Cash in Lieu of Commodities
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i) Aplington-Parkersburg Community School District did not qualify as a low-risk auditee.

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2009

Part II – Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- II-A-09 Segregation of Duties—One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial listing of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded, and checks are prepared by the same person.

Recommendation—I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances.

Response—We will continue to review our procedures and implement additional controls where possible.

Conclusion—Response accepted.

- II-B-09 Annual Financial Statements—The ability to apply generally accepted accounting principles to the financial statements and determine the sufficiency of the footnote disclosure is a necessary aspect of internal control over the District's financial reporting process. The District does not possess an individual with the appropriate expertise to apply generally accepted accounting principles to the financial statements and to draft and determine the sufficiency of the necessary disclosures. The District has a limited number of employees and it is not cost beneficial to employ an individual with this type of expertise and knowledge. The internal financial statements prepared by the District are not prepared in accordance with generally accepted accounting principles and do not contain the required footnote disclosures.

Recommendation—This is common control deficiency of most small schools and is often not corrected due to cost benefit considerations. I could assist you in gaining the necessary knowledge and skills if you determine that this is a control deficiency that the District would like to address.

Response—We will consult with you as needed on financial statement considerations.

Conclusions—Response accepted.

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2009

Part III – Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCY:

CFDA Number 10.553: School Breakfast Program
CFDA Number 10.555: National School Lunch Program and
CFDA Number 10.565: Cash in Lieu of Commodities
Federal Award Year: 2009
US Department of Agriculture
Passed through the Iowa Department of Education

CFDA Number 97.036 FEMA
Federal Award Year: 2009
US Department of Homeland Security
Iowa Department of Public Defense

III-A-09 Segregation of Duties—One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial listing of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded, and checks are prepared by the same person.

Recommendation—I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances.

Response—We will continue to review our procedures and implement additional controls where possible.

Conclusion—Response accepted.

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2009

Part IV - Other Findings Related to Statutory Reporting:

IV-A-09 Certified Budget—Expenditures for the year ended June 30, 2009 exceeded the amended certified budget amounts in the instruction function.

Recommendation—The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response—Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded. The tornado caused unexpected expenditure at year end.

Conclusion—Response accepted.

IV-B-09 Questionable Expenditures—No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-09 Travel Expense—No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-09 Business Transactions—No business transactions between the District and District officials or employees are detailed were noted.

<u>Name, Title & Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Calvin Voss—Board Member & Owner of Voss Repair	Repairs and maintenance	\$35,611

In accordance with an Attorney General's opinion dated November 9, 1976, the above transaction does not appear to represent a conflict of interest.

IV-E-09 Bond Coverage—Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.

IV-F-09 Board Minutes—No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-09 Certified Enrollment—No variances in the basic enrollment data certified to the Department of Education were noted.

IV-H-09 Deposits and Investments—No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-I-09 Certified Annual Report—The Certified Annual Report was certified to the Iowa Department of Education timely.

IV-J-09 Categorical Funding—No instances were noted of categorical funding being used to supplant rather than supplement other funds.

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2009

Part IV - Other Findings Related to Statutory Reporting (continued):

IV-K-09 Statewide Sales and Services Tax—No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and service tax. For the year ended June 30, 2009, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning balance	\$	-	
Statewide sales and services tax revenue			442,316
Expenditures/transfers out:			
School infrastructure:			
Land	\$	16,000	
Buildings		12,964	
Equipment		54,137	
Other improvements		17,220	
Debt service for school infrastructure:			
General obligation debt		200,000	
Revenue debt		170,000	470,321
Ending balance	\$	-28,005	